

SECTION: FOOD DELIVERY SYSTEM

SUBJECT: Food Instrument Receipt and Distribution

ITEM: *Food Instrument Security and Integrity of the Distribution Process*



Policy Local agencies shall be responsible for all checkstock received from the current printing contractor until the food instruments (FIs) are either issued to eligible participants or the checkstock is returned to the printing contractor. Local agencies shall control and provide accountability for the receipt and issuance of food instruments that are either issued to eligible participants or returned. Local agencies shall ensure that there is secured storage and transportation of checkstock. The State WIC Branch reserves the right to charge the local agencies for the cost of the checkstock or food instruments that are:

- Lost by the local agency,
- Stolen from the local agency,
- Redeemed by ineligible persons, or
- Otherwise unaccounted for.

Basis for policy CFR 246.12 (n) – (s)

Security precautions Local agencies shall comply with all checkstock and food instrument storage and security guidelines noted below and shall develop any additional procedures necessary to ensure all checkstock and food instrument security.

Checkstock storage Local agencies shall store checkstock or food instruments:

- in lockable locations,
- separate from the printers, and
- in dry storage areas.

**Limited
access**

Only authorized local agency staff shall have access to the storage areas for checkstock, laptops/informers, and portable printers. It is recommended that no more than two personnel at each location (supervisory or managerial) have access to areas containing checkstock, laptops/informers and portable printers. If local agency management needs to deviate from this recommendation, whatever procedure is used to control access should be documented and sufficiently accountable should the agency be evaluated/audited. It is recommended that the procedure include, at a minimum, that the keys be maintained in a lockable location; that an issuance log is utilized to show when keys are checked in and out, and by whom; and that non-supervisory/non-managerial staff with access to checkstock not have access to laptops/informers and portable printers.

**Separation
of duties**

Local agencies shall ensure the integrity of the food instrument distribution process by separating duties within each aspect of checkstock-receipt, distribution, and reporting. Local agencies shall implement all of the procedures for separation of duties set forth below:

- Local agencies shall assign primary responsibility for receipt and verification of shipments and responsibility for the physical checkstock inventory to one local agency staff, with secondary responsibility assigned to another staff member. The staff member with secondary responsibility shall participate in the checkstock shipment verification process in the event of discrepancies or in the absence of the staff member assigned primary responsibility.
- Local agencies shall not assign the staff person responsible for receipt and verification of shipments and the physical checkstock inventory to be involved in the printing of food instruments or the preparation of the voided food instrument report.
- Local agencies shall ensure checkstock and food instrument distribution procedures consist of at least two separate and distinct functions performed by two different local agency staff. The following table incorporates separate, distinct, food instrument distribution tasks for required staff functions.

STAFF PERSON	STAFF FUNCTIONS
Person A: for example, CPA or Dietitian	Prepares the food instrument: Prescribes the FI, and sends the information to the print list.
Person B: for example, Clerk	Prints food instrument: Selects from the print list, prints the FI, and tears off the FI from the printer.
Person A or B: for example, Clerk, CPA, or Dietitian	Distributes the food instrument: Obtains the participant signature on the FI log. Gives the food instrument to the participant.

Alternative plan

If a local agency cannot comply with the separation of duties requirements because of staff limitations, the local agency shall submit a written alternative plan which must be approved by the State WIC Branch Program Integrity Unit (PIU), and maintained on file at the local agency.

Any request should include the following information for each site identified in the request:

- Agency name and address,
- Site name and address,
- The days the site is in operation and the number of assigned staff,
- The average number of participants receiving food instruments each day of operation,
- Is the exception being requested for every day the site is in operation or temporarily? If temporary give the ending date, and
- Description of the alternate checks and balance process proposed to ensure food instrument security and protection of staff from any allegations of mishandling or fraudulent issuing of WIC FI's.

If the same local agency staff person is issuing and printing food instruments, that person must have two separate and distinct ISIS logon ID's that are specific to the function being carried out at the time.

Transportation of checkstock

The following conditions shall be met for the physical transportation of checkstock between agency and clinic locations.

- Local agencies shall use lockable containers to transport all **single boxes** of checkstock.

Transportation of checkstock (cont'd)

Exception: Sealed cartons which contain single boxes of checkstock do not require a lockable container during transport.

- Checkstock shall not be left unattended in an unlocked vehicle at any time during the loading, transport, or unloading of checkstock.
 - Local agencies shall be responsible for secure and safe transport of checkstock.
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Security during distribution

During food instrument distribution, the printers, checkstock and any unissued food instruments shall be placed in an area beyond the reach of program participants and other unauthorized persons. These distribution materials shall not be left unattended. If the local agency staff person(s) responsible for distributing food instruments must leave the distribution area, another staff member must be present to monitor the distribution materials.

Reports

Local agencies shall generate the following reports:

Report Name	Description
Voided Food Instruments	Print and reconcile daily at each WIC site the void report for food instruments voided in ISIS whether they are void with or without reissuance.
Voided Checkstock	Print and reconcile, when appropriate, checkstock voided at the agency or site.

Checkstock and food instrument accounting and discrepancy reporting procedures are outlined in the following materials:

ISIS Job Aids:

1. Maintaining Voided Food Instruments Throughout the Day,
2. Daily Voided Food Instruments Reconciliation, and
3. Food Instruments Requiring Special Handling.

ISIS Training Manual:

- 1) Void Food Instruments, and
- 2) Change and Reissue Food Package.

Reports (cont'd)

ISIS Local Administration Manual:

- 1) Local Agency and Clinic Checkstock Inventory Overview,
 - 2) Local Agency Inventory,
 - 3) Clinic Checkstock / Food Instrument Inventory, and
 - 4) Maintain Checkstock Inventory VOID.
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Documenta- tion

Local agencies shall maintain a file of reconciled voided food instruments and voided checkstock reports for audit purposes. Information on maintaining records can be found in WPM Section 150-30, "Program Records: Maintenance of Specific Records." Staff responsible for reconciliation shall:

- conform to the separation of duties, and,
 - sign and date each report daily after successful reconciliation.
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Require- ment for destruction

Reconciled voided food instruments, voided checkstock, and any expired food instruments that participants return to the local agency shall be destroyed at the local agency immediately after successful reconciliation of the reports. Requests for an exception to this requirement shall be submitted to regional staff in writing. The State WIC Branch will notify local agencies in writing when exception requests are authorized.

Definition of destruction

Destruction is defined as shredding, which eliminates the ability to read the serial number on checkstock, the participant name, identification number and dollar value on a printed food instrument.

Periodic reconcilia- tion

Local agencies shall verify on a quarterly basis that all checkstock inventory present onsite matches the ISIS generated checkstock inventory report. The onsite supervisor shall sign and keep on file the report as verification that physical inventory has been done.

Physical inventory

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